

1 ROB BONTA
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 WILLIAM P. TORNGREN
Supervising Deputy Attorney General
4 State Bar No. 58493
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 210-7782
Fax: (916) 327-2319
7 E-mail: William.Torngren@doj.ca.gov
Attorneys for Complainant
8 and Acting Director

9
10 **BEFORE THE**
11 **GAMBLING CONTROL COMMISSION**
12 **STATE OF CALIFORNIA**
13

14 **In the Matter of the Accusation Against:**

15 **STANLEY S. PENN (GEOW-002251), doing**
16 **business as LUCKY LADY CARD ROOM**
17 **(GEGE-000950)**

18 5526 El Cajon Boulevard
San Diego, CA 92115

19 **Respondent.**

BGC Case No. BGC- HQ2016-00003AC

**STIPULATED SETTLEMENT,
DECISION, AND ORDER**

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21 This Stipulated Settlement resolves the First Amended Accusation and Statement of
22 Issues (Operative Pleading), dated February 25, 2020, in the above-entitled matter. Respondent
23 Stanley S. Penn (Respondent) holds a gambling establishment owner license and has an
24 application pending for renewal of that license pursuant to the Gambling Control Act (Act)
25 (Bus. & Prof. Code, § 19800 et seq.). This Stipulated Settlement resolves the Operative
26 Pleading. The Operative Pleading alleges violations of, and seeks to revoke Respondent's
27 license, and to deny his renewal application, for lack of suitability for licensing under, the Act
28 and the regulations adopted pursuant to the Act.

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1 5. On August 30, 2016, the former complainant issued an Emergency Order to
2 Respondent. The Emergency Order directed the Card Room to engage an independent manager
3 to be responsible for, and control, the Card Room's operations in all respects.

4 6. On February 27, 2020, Complainant filed and served the Operative Pleading.
5 Complainant also served Respondent with a Statement to Respondent (Gov. Code, § 11505,
6 subd. (b)), Request for Discovery (Gov. Code, § 11597.6), copies of Government Code sections
7 11507.5, 11507.6 and 11507.7, and two copies of the Notice of Defense form (Gov. Code, §§
8 11505 & 11506).

9 7. Respondent served a timely Notice of Defense.

10 **ADVISEMENTS AND WAIVERS**

11 8. Respondent has carefully reviewed, and has discussed or had the opportunity to
12 discuss with counsel, the legal and factual allegations in the Operative Pleading. Respondent
13 has also carefully reviewed, and has discussed or had the opportunity to discuss with counsel,
14 this Stipulated Settlement. Respondent fully understands the terms and conditions contained
15 within this Stipulated Settlement and the effects thereof.

16 9. Respondent is fully aware of his legal rights in this matter, including: the right to
17 a hearing on all the allegations in the Operative Pleading; the right to be represented by counsel
18 of his choice at his own expense; the right to confront and cross-examine the witnesses against
19 him; the right to present evidence and testify on his own behalf; the right to the issuance of
20 subpoenas to compel the attendance of witnesses and the production of documents; the right to
21 apply for reconsideration and court review of an adverse decision; and all other rights afforded
22 by the California Administrative Procedure Act (Gov. Code, § 11370 et seq.), the Act, and all
23 other applicable state and federal laws, including, without limitation, title 42 United States Code
24 section 1983.

25 10. Respondent voluntarily, knowingly, and intelligently waives and gives up each
26 and every right set forth in paragraph 9 above, agrees not to request further hearing on the
27 Operative Pleading, and agrees to be bound by this Stipulated Settlement. Except as otherwise
28 provided herein, Respondent further voluntarily, knowingly, and intelligently waives any right

1 to judicial, administrative, or other review of any matter related to or covered by this Stipulated
2 Settlement.

3 **STIPULATED AGREEMENT OF SETTLEMENT**

4 11. For the purposes of resolving and settling the Charging Pleading and for any
5 other matter now and in the future involving the Commission, the Bureau, or licensed gambling,
6 Respondent admits that all the factual and legal allegations in the First Cause for Revocation
7 and Denial in the Charging Pleading paragraphs 10(a), 10(b), and 10(d) are true, accurate, and
8 complete, and that such allegations provide a sufficient legal and factual basis to revoke, and
9 deny renewal of, his license and for invalidation of any interim renewal license. Respondent
10 further admits that the remaining factual and legal allegations in the First Cause for Revocation
11 and Denial in the Charging Pleading, if proven, provide sufficient legal and factual basis to
12 revoke, and deny renewal of, his license and for invalidation of any interim renewal license.

13 12. Respondent understands and agrees that the admissions made in paragraph 11
14 above may be entered into evidence in any legal proceeding brought or prosecuted by the
15 Commission or the Bureau as if those admissions were made under oath and penalty of perjury.
16 The admissions made by Respondent herein are only for the purposes of this proceeding, or any
17 current or future proceedings in which the Bureau, the Commission, or any successor agency is
18 involved, and shall not be otherwise admissible in any criminal, civil, or unrelated
19 administrative proceeding.

20 13. Upon the effective date of the Decision and Order issued by the Commission
21 adopting this Stipulated Settlement (Effective Date), Respondent's pending state gambling
22 license renewal application will be denied and his state gambling license will be revoked. In
23 addition to and as part of his waivers set forth in paragraphs 9 and 10 above, Respondent
24 expressly, voluntarily, and knowingly waives any privilege or right available under, or
25 conferred by, Government Code section 11522.

26 14. Respondent agrees to pay the Bureau a monetary penalty in the amount of
27 \$125,000 (Penalty) for the acts and omissions alleged in the Operative Pleading and admitted to
28 in paragraphs 11 and 12 above. Respondent further agrees that the Penalty shall be paid in full

1 within 30 days after the Effective Date. The Penalty will be deposited in accordance with
2 Business and Professions Code section 19950, subdivision (a).

3 15. Respondent agrees to pay the Bureau the sum of \$50,000 (Cost Recovery) as the
4 reasonable costs of investigation and prosecution of this matter as provided for in Business and
5 Professions Code section 19930. Respondent further agrees to pay the Cost Recovery in full
6 within 30 days after the Effective Date. The Cost Recovery will be paid, and will be deposited,
7 in accordance with Business and Professions Code sections 19930, subdivision (e), and 19950,
8 subdivision (a).

9 16. Respondent has been advised and, therefore, understands and acknowledges that
10 upon the Effective Date, his interim renewal license will cease to be valid and will be
11 automatically canceled. (Cal. Code Regs., tit. 4, § 12035, subd. (b)(2).)

12 17. The Card Room presently is closed and shall remain closed.

13 18. If Respondent fails to pay any monies due under this Stipulated Settlement in a
14 timely manner or in any other way, Respondent agrees that the Commission's Decision and
15 Order adopting the Stipulated Settlement may be presented to the Sacramento County Superior
16 Court and, after notice to Respondent and an opportunity to be heard, judgment entered thereon.
17 Respondent further agrees that the judgment shall include interest, calculated at the maximum
18 rate allowed by law to accrue from the Effective Date. Respondent also agrees that the
19 judgment shall include the Bureau's costs of obtaining, enforcing, and collecting the judgment.
20 Costs shall include reasonable attorney fees calculated at then prevailing hourly rates for
21 services provided in the private sector for attorneys of comparable experience.

22 19. The parties agree that this Stipulated Settlement fully resolves their dispute
23 concerning the Operative Pleading, and that, except upon default, no further penalties, fines,
24 and costs shall be sought against Respondent based solely upon the allegations contained within
25 the Operative Pleading.

26 20. This Stipulated Settlement shall be subject to adoption by the Commission.
27 Respondent understands and specifically agrees that counsel for the Acting Director, and the
28 Bureau's staff, may communicate directly with the Commission regarding this Stipulated

1 Settlement, without notice to, or participation by, Respondent or his counsel, and that no such
2 communication shall be deemed a prohibited ex parte communication. Respondent specifically
3 acknowledges and agrees that such communications are permissible pursuant to Government
4 Code section 11430.30, subdivision (b).

5 21. By signing this Stipulated Settlement, Respondent understands and agrees that
6 he may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the
7 time the Commission considers and acts upon it. If the Commission fails to adopt this
8 Stipulated Settlement as its Decision and Order, this Stipulated Settlement shall be of no force
9 or effect and, except for actions taken pursuant to this paragraph and paragraph 20 above, it
10 shall be inadmissible in any legal action between the parties. The Commission's failure to
11 adopt the Stipulated Settlement shall not disqualify the Commission from any further action
12 regarding Respondent's licensure, including, but not limited to, disposition of the Operative
13 Pleading by a decision and order following a hearing on the merits.

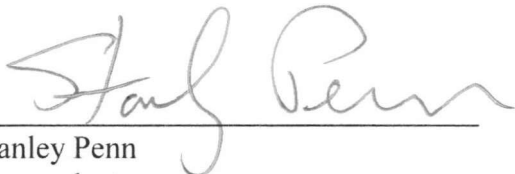
14 22. This Stipulated Settlement may be executed in counterparts. The parties agree
15 that a photocopy, facsimile or electronic copy of this Stipulated Settlement, including copies
16 with signatures thereon, shall have the same force and effect as an original.

17 23. In consideration of the above admissions and stipulations, the parties agree that
18 the Commission may, without further notice or formal proceeding, issue and enter the Decision
19 and Order adopting this Stipulated Settlement.

20 ACCEPTANCE

21 Respondent has carefully read and considered the above Stipulated Settlement.
22 Respondent has discussed its terms and effects with legal counsel. Respondent also understands
23 the Stipulated Settlement and the effects it will or may have on Respondent's state gambling
24 license. Respondent further understands that his state gambling license will be revoked.
25 Respondent further understands that he will be obligated to pay the Bureau a total sum of
26 \$175,000 (\$125,000 as the Penalty and \$50,000 in Cost Recovery). Respondent enters into this
27 Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be bound by its
28 terms.

1 Dated: June 15, 2021


Stanley Penn
Respondent

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3 Approved as to Form:

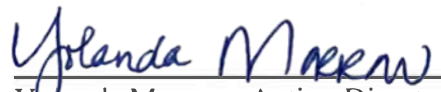
4 Dated: June 16, 2021

NEILSON MERKSAMER
PARRINELLO GROSS & LEONI LLP

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7 By: 
James R. Parrinello
Attorneys for Respondent

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9 ACTING DIRECTOR'S ACCEPTANCE


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11 Dated: June 16, 2021


Yolanda Morrow, Acting Director
Bureau of Gambling Control
California Department of Justice

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17 The foregoing Stipulated Settlement is hereby respectfully submitted for consideration
18 by the California Gambling Control Commission.

19 Dated: June 16, 2021

ROB BONTA
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General

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23 By: 
William P. Torngren
Supervising Deputy Attorney General
Attorneys for the Complainant and Acting
Director

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DECISION AND ORDER OF THE COMMISSION

The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the case of *In the Matter of the First Amended Accusation and Statement of Issues against: Stanley S. Penn, etc.*, BGC Case No. HQ2016-00003AC, as its final Decision and Order in the matter to be effective upon execution below by its members.

IT IS SO ORDERED

Dated: _____
Paula LaBrie, Chair

Dated: _____
Eric C. Heins, Commissioner

Dated: _____
Edward Yee, Commissioner

Dated: _____
Cathleen Galgiani, Commissioner

Dated: _____
William Liu, Commissioner